FED/STATE

Taxation and Revenue Department

Personal Income Tax

Federal/State *e-file* Program

Record Layout Specifications

Tax Year 2010

Table of Contents

Section 1.1 - Introduction

Soon, New Mexico will begin another Personal Income Tax (PIT) filing season (See Section 1.4 for the complete Electronic Filing Calendar). Thanks to all electronic filers for making 2010 tax season a success. Tax and Revenue Department (TRD) welcomes first-time electronic filers. TRD strives to continue to simplify the process of filing FED/STATE electronic personal income tax returns for all software developers, New Mexico taxpayers, filers and practitioners.

As part of New Mexico's commitment to highest-quality customer service, TRD has set a goal to process all electronic returns within 10 days of receipt. This means TRD should have a refund issued within 10 days of filing if the return showing a refund due is error-free and not intercepted for payment of outstanding liabilities.

TRD will continue to offer its Refund Express program, for electronic deposit of refund directly taxpayer a checking or savings bank account. Refund Express will reduce the process time for receiving a refund to 7 days or less. NOTE: TRD continues to not support IAT transactions at this time and any transaction indicating IAT will be rejected.

TRD will continue to offer Direct Debit for taxpayers who choose to have tax owed, to be electronically deducted from the taxpayer checking or savings account and deposited in the NM Tax and Revenue Department account. NOTE: TRD continues to not support IAT transactions at this time and any transaction indicating IAT will be rejected.

This guide is intended to provide software developers with information needed to capture and format all required data fields for transmission of a New Mexico Personal Income Tax Return for tax year 2010. In addition to this publication, New Mexico provides a 2010 *Handbook for FED/STATE Electronic Filing of Personal Income Tax Returns,* which provides filers/preparers and transmitters with information for filing a New Mexico return through the Fed/State *e-file* Program.

TRD looks forward to working with tax software developers that offer New Mexico taxpayers an efficient tax product for filing New Mexico Personal Income Tax returns.

Section 1.2 - What's New for Tax Year 2010

Use the link listed below and read what's new in NM Personal Income for Tax Year 2010:

[Tax Year 2010 Cover v2]

Increased number of "Reject" reasons. See Section 3.2.

Up front validation of software developer product code and forms. See Section 4.

Re-vamped file specifications. See Section 5.

A "Letter of Intent" must be submitted for every software developer product indicating all of the forms the product will support. See Table of Contents.

Additional links to other forms and specifications. See Forms Appendix and Links.

The 3of9 barcode on each form has changed from 8 positions to 9, with the leading "9" changing to "10".

NEW STATE FORMS ADDED TO FED/STATE E-FILE:

None applicable for this tax year

Section 1.3 Other Links:

Internet link for up-to-date Fed/State e-file Information:

[NM Fed/State e-file Information]

The site listed above is currently undergoing changes. It is better to use all of the hyperlinks on this document to see all up-to-date documents, forms and instructions. For additional links to forms and instructions, reference the "Forms Appendix and Links" page located at the end of this document.

FED/STATE Software Developer Links:

NM 2010 Generic and Unformatted Record Specifications:
[NM Fed/State Specifications v2]

NM 2010 Error Codes:
[NM Error Codes v1]

NM 2010 PATS Tests:
[NM PATS Tests v1]

NM 2010 Tax Rates:
[NM Tax Rates v3]

NM 2010 2D Barcode Specifications:
[2D Specifications v2]

Approved 2010 Products:
[2010 Approved Products]

Handbook for 2010:
[Handbook v1]

Self-Test Tools:
[Self-Test]

Section 1.4 - Electronic Filing Calendar

Software developers are encouraged to begin testing with NM TRD after passing Internal Revenue Service PATS tests.

Begin Fed/State acceptance testing	November 15, 2010
New Mexico PIT-NET Internet filing begins	January 15, 2011
Begin transmitting Fed/State returns to IRS/New Mexico	January 15, 2011
Last day New Mexico will accept test transmissions	January 31, 2011
Last day to file returns timely (paper returns)	April 18, 2011
Last date for automatic extension of time to file New Mexico returns	August 16, 2011
Last day of electronic filing for the year	December 1, 2011

~ Please Note: These dates are subject to change at any time.

LAST DAY TO ELECTRONICALLY FILE RETURNS <u>TIMELY</u>: May 2, 2011

Section 1.5 – New Mexico Contacts

New Mexico FED/STATE coordinator (Tomas) ……………. …………......…505-476-3174
New Mexico FED/STATE coordinator (Larry)..…………… …………......…505-827-2090
New Mexico FED/STATE coordinator (Nick) ..…………… …………......…505-476-3048
Fax…………………………………………………………….….………...505-827-0469
E-Mail…………………………………………….……… … tomas.gonzales@state.nm.us

Refund and Return Status Information…………………….…………… 505-827-0827

New Mexico Taxation & Revenue Department Web Site... …… … www.tax.state.nm.us

To report suspected tax fraud, please contact:

Richard Maag, Inspector General.……………………………………… 505-841-6580
E-Mail……………………………………………………………… … oig@state.nm.us

Section 2 - Software Developer Product Testing Process

2.1   NM TRD will conduct tests using IRS publication 1346 Generic Record format and Pattern Acceptance Test Scenarios based on the NACTP (PATS).

2.2 Overview of the Registration process to enroll in PATS testing for NM:
   1   Software developer contact emails FED/STATE coordinator the following:
      - Copy of approved IRS E-file letter of acceptance
      - List of software developer products to be tested (e.g., professional, pc, web, and etc.)

   2   NM State FED/STATE coordinator Creates and Assigns:
      - NACTP software developer (vendor) code --and--
      - Product code (e.g., 01, 02, 03 and etc.) to each software product
      - Creating the Software Developer Product Code

   3   NM State FED/STATE coordinator emails to software developer contact:
      - The associated 400-00-XX## TEST SSN for each product enrolled in the testing process.

2.3   Thereafter for all testing and production processing, the software developer must include assigned software developer (vendor) product code in Generic Record fields [300a] "software developer (vendor) code – product code".   This is a required field in the Generic Record e.g. 1234-01 and/or 1234-02 and/or 1234-03 etc.

2.4 PATS Testing and Approval Process:

   - First level of testing is the NMPATS scenarios.

   - Second level of testing is by backend processing system used by NM TRD.

Approval of software product is conditional upon passing of **both levels of tests** using **one complete set of error-free** test returns. One complete set means that all returns in the PATS testing scenario are sent at the same time.

Software Developers must use the Test SSNs assigned by the Test Coordinator in the tests and specify the software developer code assigned in field [300a] of the Generic Record.

FED/STATE coordinator will email the registered software developer contact of status and/or results of the test returns.

Section 3.1 - Acknowledgements of Tax Returns

Format of the NM state 120 byte ACK Record follows IRS standard and specifications as defined by IRS i.e. outer, inner envelope and recap records.

NM TRD will retrieve by WEB TRANSMISSION the tax return data from IRS website, after which NM will generate an acknowledgement/reject.

NM TRD will transmit state return acknowledgments/rejects to IRS website within 48 hours of receipt from IRS, except on weekends or holidays.

Transmitters/electronic return originator's (ERO) may view/retrieve NM TRD acknowledgements/rejects from the IRS website.

Section 3.2 – FED/STATE Rejected Tax Returns:

New Mexico will reject tax returns for a variety of reasons and will post said information on the returning acknowledgement files. Acknowledgement files must be checked for rejects on a routine basis. Rejected tax returns will not be processed until they are re-submitted, correcting the identified problem. New Mexico will be maintaining internal statistics by software developer product code (reference field 300.a of the NM Generic Record).

NOTE: New Mexico reserves the right to create more reject reasons if one or more software vendors have products/versions that are creating excessive processing delays for New Mexico. Also, a high reject percentage may be indicative that a product code review is in order by a particular software vendor.

For a complete itemized list of the reject codes and remedies, please use the link listed below.

[2010 Error Codes v1]

Section 4 – Software Developer Provisions

Pre-Test and Test:
A FED/STATE Software Developer Product Code will be assigned to a software developer *per* product code prior to NM PATS testing (reference field 300.a of the NM Generic Record). A "Letter of Intent" *for each software product* shall be submitted by the software developer indicating the software product and the NM forms it supports. NM *will be validating* the assigned "Software Developer Product Code" and NM forms in test and production. Failure to comply with this directive will cause a 100% reject rate and non-acceptance as an "Approved" software developer product.

Test:
Self-test tools have been developed by New Mexico to assist software developers (See Section 1.3 Other Links). The tools were developed to: (1) shorten the number of transmits that need to be made to the IRS; and (2) give software vendors quicker "turn around times" and feedback on tests. Test files should not be submitted to the IRS until they have been passed by the self-test tools. If some problem should occur with using the self-test tools, please contact the NM coordinator ASAP. Once a software product has passed the self-test and regular tests, a software product will be registered as being a NM "Approved" software product. Failure to go through this test process will create a 100% error rate in production.

Production:
Provisions must be made by software developers to inform FED/STATE tax preparers, to use only **the latest Software Developer Product Version of the NM-approved software product.** A high reject percentage may indicate that a full product version upgrade is needed.

NOTE: If New Mexico notifies a software developer that a particular software developer product code is creating problems and the software developer fails to rectify the problem within a defined time period, New Mexico may choose to suspend processing returns with the identified software developer product code.

Section 5 – General Record Layout Information

This publication outlines the transmission formats, character sets and validation criteria for filing New Mexico individual income tax returns as part of the FED/STATE *e-file* program and provides software developers with information for capturing and formatting New Mexico income tax data for a FED/STATE return.

To facilitate the efforts of software developers, New Mexico supports the standards developed by the Federation of Tax Administrators (FTA) Uniformity Task Force.

All IRS requirements must be adhered to in developing the New Mexico FED/STATE return.

Refer to IRS Publication 1346, Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns and IRS Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.

For a complete list of the NM Generic and Unformatted Specifications, please use the link listed below.

[NM Fed/State Specifications v2]

Record Specifications - Column Definition and Usage:

RECORD NAME

Reflects the record format (Generic or Unformatted) being used.

FORM NAME

Reflects the NM Form Name in the Unformatted Data Segments --or-- the record sections of the Generic Record that are being used.

FIELD NUMBER

Reflects the sequence number of field within a record or data segment format.

FIELD IDENTIFICATION

For IRS group-level fields, the IRS field name is used. For NM sub-divided fields, the NM names are given. (Example: the IRS "Name Line 1" is sub-divided into NM "Primary Last Name, Primary MI, Primary Title")

FORM REFERENCE

This column links a field to a particular line on a **New Mexico** form. The Generic Record provides the layout to New Mexico form PIT-1, Pages 1 and 2. The Unformatted Record provides the layout for all other New Mexico forms that can be electronically transmitted: PIT-ADJ, PIT-CR, PIT-D, PIT-RC, PIT-B, PIT-S, W-K 2010, RPD-41285 and WT 2010.

MAXIMUM FIELD LENGTH

This is maximum number of bytes for a given field.

FIELD DESCRIPTION

Additional description and information for the successful processing of a given field.

DATA TYPE

ALPHA - A through Z Upper case only; pre-fill with spaces.

ALPHANUMERIC - A through Z (uppercase only), 0 through 9 and the special characters ampersand (&), blank ( ), comma (,), hyphen (-), period (.); pre-fill with spaces.

BOOLEAN - Values "0" or "1".

DATE - M = Month, D = Day, C=Century, Y = Year. ***Always CCYYMMDD***.

DECIMAL(**X,Y**) - Numeric characters and decimal point only; "X" indicates characters to the left of the decimal and "Y" " indicates characters to the right of the decimal.

FIXEDVALUE - Get value from column "Allowed Values".

NUMERIC - 0 through 9 Numeric characters plus trailing negative sign (-) **only if indicated** by column "Negative Allowed"; right-justified, pre-fill with zeros.

SPALPHANUMERIC - A through Z (uppercase only), 0 through 9 and the special characters ampersand (&), blank ( ), comma (,), hyphen (-), period (.), plus (+), slash (/), percent (%), at (@), underscore (_); pre-fill with spaces.

ALLOWED VALUES

The list, if applicable, of acceptable values for a particular field.

REQUIRED

Indicates whether a field is required or optional.

NEGATIVE ALLOWED

Indicates whether a NUMERIC field may be negative. If "YES", the sign is trailing, separate and considered part of the field.

COMPUTATION

Indicates what computation must be made to generate a particular field. **NOTE:** If a computation field is not supplied but one or more fields used in the computation are supplied, then **the computation field is required. Failure to meet this requirement will cause a return to reject.**

SIGNED FIELD TRANSMITTAL, VARIABLE BYTE COUNTS, AND FIELD USAGE

If a fixed record is transmitted the sign must be " " (blank) when positive or "-" when negative. The character "+" is disallowed unless the field is high-order zero-filled.

If a variable record is transmitted, the character "+" is allowed. The character "+" is also allowed if the field is properly zero-filled.

Every character including Federal and State field numbers and delimiters is counted in the byte count for variable Generic Records. The byte count itself and record terminus are also counted as five (5) characters.

Section 6 – OTHER FORMS

All W-2's (W-2, W-2C, W-2G) <u>affecting NM income</u>

All 1099's (1099MISC, 1099R) <u>affecting NM income</u>

W-2, W-2C, W2G
- Include all Federal fields
- Include all State fields.

1099-R
- Include all federal fields
- Include all State fields

NOTE: For W-2's, & 1099's, the IRS allows foreign address as a valid entry for the Employer's address.

- The Number and the street should be on the address line.
- The literal (**NONE**) must be entered in the street address if there is no number and street.
- The country must **not** be abbreviated.

SEE UNFORMATTED RECORDS FOR THE FOLLOWING STATE FORMS:

- **W-K 2010 (NM Income and Withholding from Pass-Through Entity)**

    [form v1]

- **RPD-41285 (NM Annual Statement of Withholding of Oil and Gas Proceeds)**

    [form v1]

- **WT 2010 (NM Statement of Certain Trust Distributions of Withholding from Oil and Gas Proceeds)**

    [form v1]

LETTER OF INTENT

To participate in the Federal/State Electronic Filing program for

2010 New Mexico Income Tax Returns

And Intent to Abide by New Mexico's Specifications and Approval Procedures

This document is required for software developers who develop electronic transmissions of 2010 New Mexico Personal Income Tax Returns through the Federal/State (Fed/State) electronic filing program. A letter of intent is required to be filed with the Department by November 15, 2010, but no later than the first submission of income tax returns to be approved.

Name of Software Developer: _____

The software developer named hereby states its intent to develop software capable of creating and submitting electronic transmissions of 2010 New Mexico income tax returns and to abide by the specifications and approval procedures established by the New Mexico Taxation and Revenue Department for the development of the electronic transmissions.

To the best of the software developer's knowledge, the software developer intends to submit an approval for the following electronic 2010 New Mexico income tax forms. The list of supported forms may be modified through December 25, 2010.

Forms supported (check all that apply):

    ⑧ PIT-1   ⑧ PIT-RC   ⑧ PIT-D   ⑧ PIT-S
    ⑧ PIT-ADJ   ⑧ PIT-B   ⑧ PIT-CR   ⑧ PIT-X

Product information:

_____
Software Developer

_____
Vendor Code

_____   _____
Product Name(s)   Product Name(s)

_____   _____
Product Code   Product Code

I understand that:

➢ Electronic transmissions of returns from an unapproved software product **cannot be filed** and will be rejected by the State of New Mexico.

➢ When an error is discovered, the software developer will promptly research the cause, correct the error if applicable, and issue a release of a revised product. All customers will be notified of the required revision to the software product.

➢ Willful noncompliance with the Department's requirements could result in the rescinding of a software developer's approval.

_____   _____   _____
Signature   Print Name   Date

Forms Appendix and Links

1. **2010 PIT-1**   [form v2]   [form with grid v2]   [instructions v3]
2. **2010 PIT-S**   [form v1]   [form with grid v1]   [see PIT-1]
3. **2010 PIT-PV**   [form v2]   [form with grid v1]   [see PIT-1]
4. **2010 PIT-EXT**   [form v2]   [form with grid v2]   [see PIT-1]
5. **2010 PIT-RC**   [form v1]   [form with grid v1]   [instructions v2]
6. **2010 PIT-ADJ**   [form v1]   [form with grid v1]   [instructions v2]
7. **2010 PIT-B**   [form v2]   [form with grid v2]   [instructions v2]
8. **2010 PIT-D**   [form v1]   [form with grid v1]   [instructions v2]
9. **2010 PIT-CR**   [form v1]   [form with grid v1]   [instructions v2]
10. **2010 PIT-ES**   [form v2]   [form with grid v2]   [instructions v2]
11. **2010 PIT-X**   [form v2]   [form with grid v2]   [instructions v2]
12. **2010 W-K (NM Income and Withholding from Pass-Through Entity)**   [form v1]
13. **RPD-41285 (NM Annual Statement of Withholding of Oil and Gas Proceeds)**   [form v1]
14. **WT 2010 (NM Statement of Certain Distributions of Withholding from Oil & Gas Proceeds**   [form v1]
15. **2010 Tax Rates (same as last year's)**   [tax rates v3]
16. **2010 2D Barcode Specifications**   [specifications v2]